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TECHNOLOGY CENTER 2800

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**SUPPLEMENTAL INFORMATION
DISCLOSURE STATEMENT**

Docket Number:
12170/6

Application Number
09/809,025

Filing Date
March 16, 2001

Examiner
To be assigned

Art Unit
2812

Invention Title
DIGITAL OPTIONS HAVING DEMAND-BASED, ADJUSTABLE RETURNS, AND TRADING EXCHANGE THEREFOR

Inventor(s)
Jeffrey LANGE

Address to:
Commissioner for Patents
Washington D.C. 20231

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Date: March 31, 2003

Signature: Dalia S. Grimberg
Dalia S. Grimberg (Reg. No. 47,611)

1. In accordance with the duty of disclosure under 37 C.F.R. § 1.56 and in conformance with the procedures of 37 C.F.R. §§ 1.97 and 1.98 and M.P.E.P. § 609, attorneys for Applicants hereby bring the attached references to the attention of the Examiner. These references are listed on the attached modified PTO Form No. 1449. It is respectfully requested that the information be expressly considered during the prosecution of this application, and that the references be made of record therein and appear among the "References Cited" on any patent to issue therefrom.
2. A copy of each patent, publication or other information listed on the modified PTO Form 1449 is enclosed.
3. It is believed that no fees are due in connection with this Information Disclosure Statement. However, should any fees be due, the Commissioner is authorized to charge Deposit Account No. 11-0600 for such fees. A duplicate copy of this communication is enclosed for charging purposes.

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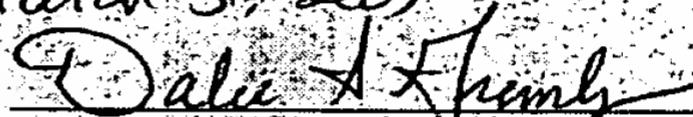
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STATEMENT BY APPLICANT**

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Sheet 1 of 3

Complete if Known

Application Number	09/809,025
Filing Date	March 16, 2001
First Named Inventor	Jeffrey Lange
Art Unit	2812
Examiner Name	To be assigned
Attorney Docket Number	12170/6

U.S. PATENT DOCUMENTS

Examiner Initials*	Cite No. ¹	Document Number	Publication Date MM-DD-YYYY	Name of Patentee or Applicant of Cited Document	Pages, Columns, Lines, Where Relevant Passages or Relevant Figures Appear
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Sheet 2 of 3

12170/6 3

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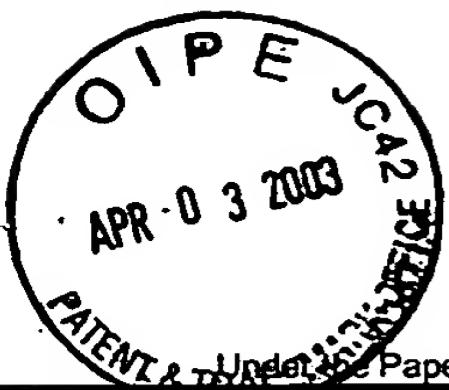
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OTHER PRIOR ART - NON PATENT LITERATURE DOCUMENTS

Examiner Initials*	Cite No. ¹	Include name of the author (in CAPITAL LETTERS), title of the article (when appropriate), title of the item (book, magazine, journal, serial, symposium, catalog, etc.), date, page(s), volume-issue number(s), publisher, city and/or country where published.	T ²
		A. BRUCE, ET AL, "Investigating the Roots of the Favourite-Longshot Bias: An Analysis of Decision Making by Supply- and Demand-Side Agents in Parallel Betting Markets", <u>Journal of Behavioral Decision Making</u> , 2000, pp.413-430, vol. 13-no. 4, John Wiley & Sons, Ltd.	
		A. BRUCE, ET AL, "Market Efficiency Analysis Requires a Sensitivity to Market Characteristics: Some Observations on a Recent Study of Betting Market Efficiency", <u>Applied Economics Letters</u> , 2000, pp. 199-202, no. 7, Taylor and Francis Ltd.	
		K. BUSCHE, ET AL, "Decision Costs and Betting Market Efficiency", <u>Rationality and Society</u> , 2000, pp. 477-492, vol. 12-no. 4, Sage Publications, Thousand Oaks, CA.	
		E. EISENBERG, "Consensus of Subjective Probabilities: The Pari-Mutuel Method", <u>Annals of Mathematical Statistics</u> , March 1959, pp.165-168, vol. 30-no. 1, Institute of Mathematical Statistics.	
		D. HAUSCH, ET AL, <u>Efficiency of Racetrack Betting Markets</u> , 1994, Academic Press, New York, NY.	
		J. INGERSOLL, JR., "Digital Contracts: Simple Tools for Pricing Complex Derivatives", <u>Journal of Business</u> , 2000, pp. 67-87, vol. 73-no. 1, The University of Chicago, Chicago, IL.	
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		G. OWEN, "Parimutuel as a System of Aggregation of Information", <u>Game Theoretical Applications to Economics and Operations Research</u> , 1997, pp. 183-195, Kluwer Academic Publishers, The Netherlands.	
		D. PEEL, ET AL, "Product Bundling and a Rule of Thumb versus the Harville Formulae: Can Each Way Bets with UK Bookmakers Generate Abnormal Returns", <u>Applied Economics</u> , 2000, pp.1737-1744, no. 32, Taylor & Francis Ltd.	
		J.R. PHATARFOD, "Betting Strategies In Horse Races", <u>Asia-Pacific Journal of Operational Research</u> , 1999, pp. 87-98, no. 16.	
		K. RHODA, ET AL, "Risk Preferences And Information Flows In Racetrack Betting Markets", <u>The Journal of Financial Research</u> , Fall 1999, pp. 265-285, vol. 22-no. 3.	
		H. SHIN, "Measuring the Incidence of Insider Trading in a Market for State-Contingent Claims", <u>The Economic Journal</u> , September 1993, pp. 1141-1153, vol 103-no. 402, The Royal Economic Society.	
		H. SHIN, "Optimal Betting Odds Against Insider Traders", <u>The Economic Journal</u> , September 1991, pp. 1179-1185, vol.101-no. 408, Royal Economic Society.	
		D. TEK, ET AL, "Optimal Betting and Efficiency in Parimutuel Betting Markets with Information Costs", <u>The Economic Journal</u> , July 1996, pp. 1-18, vol. 106-no. 437, Blackwell Publishers, Malden, MA.	

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Sheet	3	12170/6	3
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		L. WILLIAMS, "Information Efficiency In Betting Markets: A Survey", <u>Bulletin of Economic Research</u> , 1999, pp. 1-30, vol. 51-no. 1, Blackwell Publishers, Malden, MA.

Examiner Signature		Date Considered	
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